

OGC Has Reviewed

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Beth

17 AUG 1964

MEMORANDUM FOR: Deputy Director for Support

SUBJECT : Current Interest Items

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1. Early Retirement Bill

Prospects for our bill appeared a little brighter at the close of business on 14 August than they did a week earlier. The following material was prepared and forwarded during the week to Mr. Edward Braswell of the Senate Armed Services Committee staff at his request:

- a. Updated cost estimates for annuity payments over the next five years and at an assumed point in time when the size of the retiree roll has stabilized. (Adjustments were made in this process to reflect the new 1964 pay rates and to use Civil Service Commission mortality statistics.)
- b. Spread sheets for each grade GS-7 through GS-15 and a combined sheet for GS-16/18 showing the distribution of anticipated retirees over the next five years as to age and length of service.
- c. Bar chart summarizing the spread sheets described above.
- d. Cost estimates based on actual annuity computations for the individual retirement cases shown in the spread sheets providing both CIA and CSC annuity payout and the differences in cost under both systems.
- e. Statement of explanation for our use of Foreign Service experience as a basis for estimating cost.
- f. Statement of explanation of the operation of the CIA Retirement Fund including tables projecting income, outgo, and fund balances for the next five years.

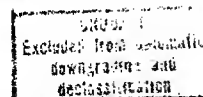
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Messrs. Kirkpatrick, Helms, Echols, and [REDACTED] met with Mr. Braswell on 14 August. The purpose of the meeting was for Messrs. Kirkpatrick and Helms to brief Mr. Braswell regarding the Agency, its mission and activities, and to give him a better understanding of our need for this retirement legislation. [REDACTED] joined the briefing and was able to give Mr. Braswell a first-hand look at the type of employee concerned and the "young man's" point of view on retirement. There was also some discussion of several of the questions which have come up in our earlier meetings with Mr. Braswell.

Since the Friday meeting, we have assisted Legislative Counsel in drafting the following amendments to the bill. These will be discussed with Mr. Braswell at our first opportunity to meet with him. (Note particularly f., g., and j. below.)

- a. Change requirement for approval of our rules and regulations by the chairmen and ranking minority members of the House and Senate

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Armed Services Committees to a requirement for consultation with these Committees.

b. Revising the definition of "child" for survivor benefit purposes to the Civil Service language which, by including students up to age 21, is more liberal than Foreign Service. A corresponding change was made in the section covering the beginning and ending dates of the child's annuity.

c. Including requirement for widow's annuity to terminate upon her remarriage. This change conforms to Civil Service requirements.

d. Liberalizing the survivor annuity provision to conform to Civil Service by setting the annuity at 55 per cent (rather than 50 per cent) of the employee's annuity and by increasing the base for the 2 1/2 per cent reduction formula from \$2,400 to \$3,600. (The employee's annuity is reduced by 2 1/2 per cent of this base and 10 per cent of the amount over it if he elects a survivor annuity.)

e. Increasing the Agency service requirement for voluntary retirement at age 50 with 20 years of service from five to ten. (The five-year requirement was inserted by the House Sub-committee.)

f. Complete revision of the involuntary retirement provision to base the distinction as to benefits on length of service rather than grade. Previously, an immediate annuity was provided at GS-14 and over for an employee with at least ten years of Agency service including at least five years of "qualifying" service. A GS-14 not meeting these service requirements was to receive the benefits provided for a GS-13. A GS-13 and below received separation pay (one month's pay per year of service up to one year). In addition, he could elect a refund of his contribution to the fund or, if he had five years of service, a deferred annuity. There was a special provision for GS-12's and 13's who died before reaching age 60 and obtaining a deferred annuity to consider such death a death in service.

The proposed revision of this section provides an immediate annuity to an involuntary retiree who has twelve years of Agency service including seven years of qualifying service. Those who do meet these service requirements would receive separation pay at the rate of two months' pay per year of service up to two years' pay. In addition, they may elect a refund of contributions or, if they have five years of service, a deferred annuity. There is no provision to consider death before receipt of a deferred annuity to be a death in service.

g. A new section has been added to place a limit of 400 on voluntary retirements or involuntary retirements with immediate annuity during the first five years under the Act. (Mandatory age retirements, disability retirements, deaths, and involuntary retirements without an immediate annuity would not be counted against this total.)

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h. Conforming the sections on credit for military service to Civil Service language. This had been intended in the earlier bill and is the stated intent of Foreign Service.

i. Inserting a requirement that a retiree consent to be recalled to duty in the Agency.

j. Incorporating the Civil Service provision for cost-of-living increases in annuity.

In this review we also noted the desirability of making one or two technical conforming changes which will be taken up after there is understanding of the probability of acceptance of the substantive amendments to be discussed. The only point which has bothered Mr. Braswell significantly which has not been modified in the proposed amendments is that of reemployment pay. He questions the present (Foreign Service) provision which permits receipt of salary plus annuity up to the amount of salary rate held at time of retirement. It is more liberal than Civil Service but less liberal than the provision for retired military officers which this same Committee just approved in the Dual Compensation Act.

2. Government Employees Salary Reform Act

There were further discussions with Payroll people concerning documentation of the pay adjustments required by the Act. Special personnel actions, to be prepared in my immediate office, will be needed for officers on the executive pay scale.

A representative of this office assisted OGC staff officers in their research and preparation of correspondence regarding certain questions on retroactive pay.

AID's Director of Personnel called us on 12 August to find out what effective date CIA was adopting the new rates. After checking with the Acting General Counsel, we answered that CIA would make them effective as of the date of enactment.

3. Case

Mr. [redacted] met with Senator Symington to review our latest letter to [redacted] offering him consideration for an administrative or support job. The Senator said that he would send a copy to Mr. [redacted] and advise him to turn the offer down; he requested that we delay sending the original of our letter for one week and it will be mailed 18 August 1964. Mr. [redacted] reports that his meeting with the Senator was friendly.

4. Exercise Room

At 1600 hours 14 August 1964, the DD/S, the D/DD/S, the EO-DD/S, the Director of Personnel, the AD/Logistics, the C/Logistics Services Division, and Mr. [redacted] of GBA visited the Agency Exercise Room, BE-48. At Colonel White's invitation, Mr. Kirkpatrick visited the facility

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later in the afternoon. Mr. Kirkpatrick said that he thought we probably would have two problems: (a) having the room open 22 hours a day during which 13 hours would be without an attendant; (b) during the time it was unattended, the possibility of someone overextending himself with no one to assist him. He acquiesced that we would have to operate on this basis until we had some experience.

During Colonel White's visit, it was explained to him that we were already apprehensive about the honor system being effective because on Friday night during the moving of equipment from one room to another three tennis balls were stolen and on Friday morning during the unpacking of certain small items and while there were people present in the room at all times, one pair of handball gloves were stolen. (If these items were not stolen, they were so effectively removed from the place of unpacking that we have been unable to locate them.)

There are several items yet to be completed in the Exercise Room: (a) installation of the Universal Gym which is in town and will be installed this week; (b) installation of 36 lockers; (c) placement of numerous appropriate signs and instructions. The formal opening is still scheduled for 1 September 1964.

5. Employee Activity Association

As a result of personal conversations between Colonel White and Mr. [REDACTED] regarding the memorandum from Central Cover Staff about the planned activity of the Employee Activity Association and its membership drive, a meeting will be held on 18 August (with CCS) with the hope of reaching an agreement that will permit DD/P personnel to participate in certain activities as well as the EAA's conducting a membership drive.

6. Fund Drive Quota

Our quota for the combined fund drive covering UCF, National Health, and Joint Crusade has been set at \$138,600. This quota was set according to the Civil Service Commission's general formula for establishing quotas for other agencies which fix the quota for the combined draft at the 1963 UCF quota plus 30 per cent. We believe that we will have no difficulty achieving this quota--our contributions in these drives for 1961-62 was \$138,352 and in the succeeding two years our contributions were \$154,655 and \$160,413.

Distribution:

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OD/Pers/ [REDACTED] (17 August 1964)

for Emmett D. Echols
Director of Personnel